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11 Raj Abhyanker

12 UNITED STATES DISTRICT COURT
13 NORTHERN DISTRICT OF CALIFORNIA
14 SAN FRANCISCO DIVISION

15 NEXTDOOR.COM, INC., a Delaware
16 corporation,

17 Plaintiff,

18 vs.

19 RAJ ABHYANKER, an individual,
20 Defendant.

21 RAJ ABHYANKER, an individual

22 Counterclaimant,

23 vs.

24 NEXTDOOR.COM, INC., a Delaware
25 corporation; PRAKASH
26 JANAKIRAMAN, an individual;
27 BENCHMARK CAPITAL PARTNERS,
28 L.P., a Delaware limited partnership;
BENCHMARK CAPITAL
MANAGEMENT CO. LLC, a Delaware
limited liability company; SANDEEP
SOOD, an individual; MONSOON
ENTERPRISES, INC., a California
corporation, and DOES 1–50, inclusive;

Counterdefendants.

Case No. 3:12-cv-05667-EMC

**DEFENDANT RAJ ABHYANKER'S FIRST
AMENDED ANSWER AND
COUNTERCLAIM FOR TRADE SECRET
MISAPPROPRIATION**

DEMAND FOR JURY TRIAL

Case Filed: November 5, 2012
Judge: Honorable Edward M. Chen

1 Defendant Raj Abhyanker (“Abhyanker”), through his attorneys, hereby answers Plaintiff
2 Nextdoor.com, Inc.’s (“Nextdoor.com”) Complaint as follows:

3 **The Nature of the Action**

4 1. In response to paragraph 1, Abhyanker denies each and every allegation in
5 paragraph 1.

6 2. In response to paragraph 2, Abhyanker denies each and every allegation in
7 paragraph 2.

8 3. In response to paragraph 3, Abhyanker denies each and every allegation in
9 paragraph 3.

10 4. In response to paragraph 4, Abhyanker denies each and every allegation in
11 paragraph 4.

12 5. In response to paragraph 5, Abhyanker denies each and every allegation in
13 paragraph 5.

14 **Parties**

15 6. In response to paragraph 6, Abhyanker responds that he lacks knowledge or
16 information sufficient to form a belief about the truth of the allegations in paragraph 6 and,
17 therefore, denies each and every allegation in paragraph 6.

18 7. In response to paragraph 7, Abhyanker admits the allegations in paragraph 7.

19 **Jurisdiction and Venue**

20 8. In response to paragraph 8, Abhyanker denies that any conduct or omission giving
21 rise to any claims against him has occurred. Abhyanker further responds that Nextdoor.com’s
22 allegations in paragraph 8 are legal conclusions and jurisdictional allegations that do not require a
23 response.

24 9. In response to paragraph 9, Abhyanker denies that any conduct or omission giving
25 rise to any claims against him has occurred. Abhyanker further responds that Nextdoor.com’s
26 allegations in paragraph 9 are legal conclusions and jurisdictional allegations that do not require a
27 response.
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1 10. In response to paragraph 10, Abhyanker admits that he resides and conducts
2 business in this judicial district and is subject to personal jurisdiction in this judicial district.
3 Except as expressly admitted, Abhyanker denies each and every allegation in paragraph 10.

4 **Intradistrict Assignment**

5 11. In response to paragraph 11, Abhyanker denies each and every allegation in
6 paragraph 11.

7 **General Allegations**

8 12. In response to paragraph 12, Abhyanker responds that he lacks knowledge or
9 information sufficient to form a belief about the truth of the allegations in paragraph 12 and,
10 therefore, denies each and every allegation in paragraph 12.

11 13. In response to paragraph 13, Abhyanker responds that he lacks knowledge or
12 information sufficient to form a belief about the truth of the allegations in paragraph 13 and,
13 therefore, denies each and every allegation in paragraph 13.

14 14. In response to paragraph 14, Abhyanker denies each and every allegation in
15 paragraph 14.

16 15. In response to paragraph 15, Abhyanker denies each and every allegation in
17 paragraph 15.

18 16. In response to paragraph 16, Abhyanker responds that he lacks knowledge or
19 information sufficient to form a belief about the truth of the allegations in paragraph 16 and,
20 therefore, denies each and every allegation in paragraph 16.

21 17. In response to paragraph 17, Abhyanker denies each and every allegation in
22 paragraph 17.

23 18. In response to paragraph 18, Abhyanker responds that he lacks knowledge or
24 information sufficient to form a belief about the truth of the allegations in paragraph 18 and,
25 therefore, denies each and every allegation in paragraph 18.

1 19. In response to paragraph 19, Abhyanker responds that he lacks knowledge or
2 information sufficient to form a belief about the truth of the allegations in paragraph 19 and,
3 therefore, denies each and every allegation in paragraph 19.

4 20. In response to paragraph 20, Abhyanker responds that he lacks knowledge or
5 information sufficient to form a belief about the truth of the allegations in paragraph 20 and,
6 therefore, denies each and every allegation in paragraph 20.

7 21. In response to paragraph 21, Abhyanker responds that he lacks knowledge or
8 information sufficient to form a belief about the truth of the allegations in paragraph 21 and,
9 therefore, denies each and every allegation in paragraph 21.

10 22. In response to paragraph 22, Abhyanker admits that on, October 27, 2011, he sent
11 an email to Nirav Tolia and that Nirav Tolia never responded to the email. Abhyanker further
12 states that the email speaks for itself. Except as expressly admitted, Abhyanker denies each and
13 every allegation in paragraph 22.

14 23. In response to paragraph 23, Abhyanker admits that, on November 10, 2011, he
15 filed Civil Action No. 1-11-CV-212924 in the Superior Court of California for the County of
16 Santa Clara against Nextdoor.com and other defendants. Abhyanker further responds that the
17 pleadings on file in Civil Action No. 1-11-CV-212924 speak for themselves. Except as expressly
18 admitted, Abhyanker denies each and every allegation in paragraph 23.

19 24. In response to paragraph 24, Abhyanker responds that the pleadings on file in Civil
20 Action No. 1-11-CV-212924 speak for themselves. Except as expressly admitted, Abhyanker
21 denies each and every allegation in paragraph 24.

22 25. In response to paragraph 25, Abhyanker admits that, on December 28, 2011, he
23 filed U.S. Trademark Application Serial No. 85/504,896 for the NEXTDOOR standard character
24 mark in connection with services in International Class 42 with the U.S. Patent and Trademark
25 Office. Except as expressly admitted, Abhyanker denies each and every allegation in paragraph
26 25.

1 26. In response to paragraph 26, Abhyanker admits that he did not file a trademark
2 application for the NEXTDOOR mark prior to December 28, 2011. Except as expressly
3 admitted, Abhyanker denies each and every allegation in paragraph 26.

4 27. In response to paragraph 27, Abhyanker admits that he filed U.S. Trademark
5 Application Serial Nos. 77/049,286 for FATDOOR and 77/049,854 for GET TO KNOW YOUR
6 NEIGHBORS with the U.S. Patent and Trademark Office and that these two specific applications
7 did not mature into registrations. Except as expressly admitted, Abhyanker denies each and every
8 allegation in paragraph 27.

9 28. In response to paragraph 28, Abhyanker admits that, on February 28, 2012, he
10 filed U.S. Trademark Application Serial No. 85/537,718 for the FATDOOR GET TO KNOW
11 YOUR NEIGHBORS design mark with the U.S. Patent and Trademark Office.

12 29. In response to paragraph 29, Abhyanker denies each and every allegation in
13 paragraph 29.

14 30. In response to paragraph 30, Abhyanker admits that he registered the nextdoor.cm
15 domain name. Abhyanker responds that he lacks knowledge or information sufficient to form a
16 belief about the truth of the remaining allegations in paragraph 30 and, therefore, denies each and
17 every remaining allegation in paragraph 30.

18 31. In response to paragraph 31, Abhyanker admits that he owns and controls the
19 nextdoor.cm domain name. Abhyanker responds that he lacks knowledge or information
20 sufficient to form a belief about the truth of the remaining allegations in paragraph 31 and,
21 therefore, denies each and every remaining allegation in paragraph 31.

22 32. In response to paragraph 32, Abhyanker responds that Exhibit A to the Complaint
23 speaks for itself. Except as expressly admitted, Abhyanker denies each and every allegation in
24 paragraph 32.

25 33. In response to paragraph 33, Abhyanker responds that Exhibit B to the Complaint
26 speaks for itself. Except as expressly admitted, Abhyanker denies each and every allegation in
27 paragraph 33.
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1 34. In response to paragraph 34, Abhyanker responds that Exhibits C and D to the
2 Complaint speak for themselves. Except as expressly admitted, Abhyanker denies each and every
3 allegation in paragraph 34.

4 35. In response to paragraph 35, Abhyanker responds that Exhibit A to the Complaint
5 speaks for itself. Except as expressly admitted, Abhyanker denies each and every allegation in
6 paragraph 35.

7 36. In response to paragraph 36, Abhyanker responds that Exhibit B to the Complaint
8 speaks for itself. Except as expressly admitted, Abhyanker denies each and every allegation in
9 paragraph 36.

10 37. In response to paragraph 37, Abhyanker responds that Exhibit B to the Complaint
11 speaks for itself. Except as expressly admitted, Abhyanker denies each and every allegation in
12 paragraph 37.

13 38. In response to paragraph 38, Abhyanker responds that Exhibit B to the Complaint
14 speaks for itself. Except as expressly admitted, Abhyanker denies each and every allegation in
15 paragraph 38.

16 39. In response to paragraph 39, Abhyanker denies each and every allegation in
17 paragraph 39.

18 40. In response to paragraph 40, Abhyanker admits that, on or around February 9,
19 2012, he re-registered the nextyard.com and nextlawn.com domain names and that these two
20 domain names pointed to a web server owned by Abhyanker. Except as expressly admitted,
21 Abhyanker denies each and every allegation in paragraph 40.

22 41. In response to paragraph 41, Abhyanker denies each and every allegation in
23 paragraph 41.

24 42. In response to paragraph 42, Abhyanker admits that he registered the edirectree
25 domain name on or around September 2007 and that, at some point, the domain name registration
26 was not renewed. Abhyanker responds that he lacks knowledge or information sufficient to form
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1 a belief about the truth of the remaining allegations in paragraph 42 and, therefore, denies each
2 and every remaining allegation in paragraph 42.

3 43. In response to paragraph 43, Abhyanker responds that he lacks knowledge or
4 information sufficient to form a belief about the truth of the allegations in paragraph 43 and,
5 therefore, denies each and every allegation in paragraph 43.

6 44. In response to paragraph 44, Abhyanker admits that, on or around February 9,
7 2012, he registered the edirectree.com domain name. Except as expressly admitted, Abhyanker
8 denies each and every allegation in paragraph 44.

9 45. In response to paragraph 45, Abhyanker admits that, at one time, a web page
10 accessible at the edirectree.com contained a social networking feature that was an extension of its
11 previous "Friends" feature. Except as expressly admitted, Abhyanker denies each and every
12 allegation in paragraph 45.

13 46. In response to paragraph 46, Abhyanker admits that, at one time, a web page
14 accessible at the edirectree.com contained a "Friends" social networking feature. Except as
15 expressly admitted, Abhyanker denies each and every allegation in paragraph 46.

16 47. In response to paragraph 47, Abhyanker denies each and every allegation in
17 paragraph 47.

18 48. In response to paragraph 48, Abhyanker denies each and every allegation in
19 paragraph 48.

20 49. In response to paragraph 49, Abhyanker admits that, on January 20, 2012, he filed
21 a Notice of Opposition with the Trademark Trial and Appeal Board that was instituted as
22 Opposition No. 91203462 and that, on February 9, 2012, he filed a Notice of Opposition with the
23 Trademark Trial and Appeal Board that was instituted as Opposition No. 91203762. Abhyanker
24 further responds that the pleadings in these oppositions speak for themselves. Except as expressly
25 admitted, Abhyanker denies each and every allegation in paragraph 49.
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1 50. In response to paragraph 50, Abhyanker responds that the pleadings on file in
2 Opposition Nos. 91203462 and 91203762 speak for themselves. Except as expressly admitted,
3 Abhyanker denies each and every allegation in paragraph 50.

4 51. In response to paragraph 51, Abhyanker responds that, on or around February 7,
5 2012, he filed a Request for Dismissal Without Prejudice in Civil Action No. 1-11-CV-212924 in
6 the Superior Court of California for the County of Santa Clara. Except as expressly admitted,
7 Abhyanker denies each and every allegation in paragraph 51.

8 52. In response to paragraph 52, Abhyanker admits that his attorneys sent a letter to
9 Nextdoor.com. Abhyanker further responds that the letter speaks for itself. Except as expressly
10 admitted, Abhyanker denies each and every allegation in paragraph 52.

11 53. In response to paragraph 53, Abhyanker responds that the pleadings on file in
12 Opposition Nos. 91203462 and 91203762 speak for themselves. Except as expressly admitted,
13 Abhyanker denies each and every allegation in paragraph 53.

14 54. In response to paragraph 54, Abhyanker denies each and every allegation in
15 paragraph 54.

16 **Count I – Declaratory Judgment Under 28 U.S.C. § 2201**

17 55. In response to paragraph 55, Abhyanker refers to his responses to the allegations in
18 paragraphs 1–54 and incorporates by reference such responses as if set forth in full herein. In
19 addition, Abhyanker denies that there is any basis for Nextdoor.com to bring a claim against him
20 for declaratory relief.

21 56. In response to paragraph 56, Abhyanker responds that he lacks knowledge or
22 information sufficient to form a belief about the truth of the allegations in paragraph 56 and,
23 therefore, denies each and every allegation in paragraph 56.

24 57. In response to paragraph 57, Abhyanker responds that the pleadings on file in
25 Opposition Nos. 91203462 and 91203762 speak for themselves. Except as expressly admitted,
26 Abhyanker denies each and every allegation in paragraph 57.

1 58. In response to paragraph 58, Abhyanker responds that the allegation in paragraph
2 58 is a legal conclusion that does not require a response.

3 59. In response to paragraph 59, Abhyanker responds that he lacks knowledge or
4 information sufficient to form a belief about what Nextdoor.com does or does not seek by way of
5 declaration from this Court or the truth of the allegations in paragraph 59 and, therefore, denies
6 each and every allegation in paragraph 59.

7 **Count II – Declaratory Judgment Under 28 U.S.C. § 2201**

8 60. In response to paragraph 60, Abhyanker refers to his responses to the allegations in
9 paragraphs 1–59 and incorporates by reference such responses as if set forth in full herein. In
10 addition, Abhyanker denies that there is any basis for Nextdoor.com to bring a claim against him
11 for declaratory relief.

12 61. In response to paragraph 61, Abhyanker responds that the pleadings on file in
13 Opposition Nos. 91203462 and 91203762 speak for themselves. Except as expressly admitted,
14 Abhyanker denies each and every allegation in paragraph 61.

15 62. In response to paragraph 62, Abhyanker responds that the allegation in paragraph
16 62 that an actual controversy exists is a legal conclusion that does not require a response. With
17 regard to the remaining allegations in paragraph 62, Abhyanker responds that he lacks knowledge
18 or information sufficient to form a belief about what Nextdoor.com does or does not contend or
19 the truth of the remaining allegations in paragraph 62 and, therefore, denies each and every
20 remaining allegation in paragraph 62.

21 63. In response to paragraph 63, Abhyanker responds that he lacks knowledge or
22 information sufficient to form a belief about what Nextdoor.com does or does not seek by way of
23 declaration from this Court or the truth of the allegations in paragraph 63 and, therefore, denies
24 each and every allegation in paragraph 63.

25 **Count III – Violation of 15 U.S.C. § 1125(D)(1)**

26 64. In response to paragraph 64, Abhyanker refers to his responses to the allegations in
27 paragraphs 1–63 and incorporates by reference such responses as if set forth in full herein. In
28

1 addition, Abhyanker denies that there is any basis for Nextdoor.com to bring a claim against him
2 for violation of 15 U.S.C. § 1125(D)(1).

3 65. In response to paragraph 65, Abhyanker admits that he registered the nextdoor.cm
4 domain name.

5 66. In response to paragraph 66, Abhyanker denies each and every allegation in
6 paragraph 66.

7 67. In response to paragraph 67, Abhyanker denies each and every allegation in
8 paragraph 67.

9 68. In response to paragraph 68, Abhyanker denies each and every allegation in
10 paragraph 68.

11 69. In response to paragraph 69, Abhyanker denies each and every allegation in
12 paragraph 69.

13 70. In response to paragraph 70, Abhyanker denies each and every allegation in
14 paragraph 70.

15 71. In response to paragraph 71, Abhyanker denies each and every allegation in
16 paragraph 71.

17 **Count IV – Violation of 15 U.S.C. § 1125(A)**

18 72. In response to paragraph 72, Abhyanker refers to his responses to the allegations in
19 paragraphs 1–71 and incorporates by reference such responses as if set forth in full herein. In
20 addition, Abhyanker denies that there is any basis for Nextdoor.com to bring a claim against him
21 for violation of 15 U.S.C. § 1125(A).

22 73. In response to paragraph 73, Abhyanker denies each and every allegation in
23 paragraph 73.

24 74. In response to paragraph 74, Abhyanker denies each and every allegation in
25 paragraph 74.

26 75. In response to paragraph 75, Abhyanker denies each and every allegation in
27 paragraph 75.
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SECOND AFFIRMATIVE DEFENSE
NO INJURY OR DAMAGE

80. Plaintiff's claims are barred, in whole or in part, because Plaintiff has not and will not suffer any injury or damage.

THIRD AFFIRMATIVE DEFENSE
LACK OF STANDING

81. Plaintiff's claims are barred, in whole or in part, because Plaintiff lack standing.

FOURTH AFFIRMATIVE DEFENSE
STATUTE OF LIMITATIONS

82. Plaintiff's claims are barred, in whole or in part, by one or more of the applicable statute of limitations.

FIFTH AFFIRMATIVE DEFENSE
ADEQUATE REMEDY AT LAW

83. Plaintiff has not stated a valid claim for injunctive relief because Plaintiff has an adequate remedy at law.

SIXTH AFFIRMATIVE DEFENSE
ESTOPPEL

84. Plaintiff's claims are barred, in whole or in part, by the doctrine of estoppel.

SEVENTH AFFIRMATIVE DEFENSE
LACHES

85. Plaintiff's claims are barred, in whole or in part, by the doctrine of laches.

EIGHTH AFFIRMATIVE DEFENSE
ACQUIESCENCE

86. Plaintiff's claims are barred, in whole or in part, by the doctrine of acquiescence.

NINTH AFFIRMATIVE DEFENSE
WAIVER

87. Plaintiff's claims are barred, in whole or in part, by the doctrine of waiver.

TENTH AFFIRMATIVE DEFENSE
UNCLEAN HANDS

88. Plaintiff's claims are barred, in whole or in part, by the doctrine of unclean hands.

ELEVENTH AFFIRMATIVE DEFENSE
UNENFORCEABILITY

89. Plaintiff's claims are barred, in whole or in part, because Plaintiff's alleged trademark(s) are unenforceable.

TWELFTH AFFIRMATIVE DEFENSE
FRAUD

90. Plaintiff's claims are barred, in whole or in part, by Plaintiff's fraud on the USPTO, which is detailed in the Counterclaim below.

THIRTEENTH AFFIRMATIVE DEFENSE
FAILURE TO MITIGATE DAMAGES

91. Plaintiff's claims are barred, in whole or in part, because of Plaintiff's failure to mitigate damages, if such damages exist.

FOURTEENTH AFFIRMATIVE DEFENSE
BREACH

92. Plaintiff's claims are barred, in whole or in part, because Plaintiff's use of its alleged trademark(s) is a breach of one or more agreements or duties of confidentiality.

FIFTEENTH AFFIRMATIVE DEFENSE
PRIOR TRADEMARK RIGHTS

93. Plaintiff's claims are barred, in whole or in part, because Abhyanker has prior and superior rights in the NEXTDOOR mark.

SIXTEENTH AFFIRMATIVE DEFENSE
RIGHT TO ASSERT ADDITIONAL DEFENSES

94. Abhyanker expressly reserves the right to amend its Answer to assert additional affirmative defenses upon the revelation of more definitive facts by Plaintiff and upon Abhyanker taking of discovery and investigation of this matter.

COUNTERCLAIM

Pursuant to Rule 13 of the Federal Rules of Civil Procedure, Counterclaimant Abhyanker counterclaims against Counterdefendants Nextdoor.com, Prakash Janakiraman, Sandeep Sood, Monsoon Enterprises, Inc., Benchmark Capital Partner, L.P., Benchmark Management Co. LLC, and DOES 1 – 50 as follows:

PARTIES

95. Raj Abhyanker is an individual and resident of Cupertino, California.

96. Nextdoor.com is a Delaware corporation having its principal place of business at 110 Sutter Street, Suite 700, San Francisco, California, 94104.

97. Prakash Janakiraman (“Janakiraman”) is an individual and resident of San Francisco, California. Janakiraman is the co-founder and Vice President, Engineering of Nextdoor.com.

98. Sandeep Sood (“Sood”) is an individual and resides in the San Francisco Bay Area. Sood is the President of Monsoon.

99. Monsoon Enterprises, Inc. (“Monsoon”) is a California corporation having its principal place of business at 350 Frank Ogawa Plaza, Suite 100, Oakland, California 94612.

100. Benchmark Capital Partners, L.P. is a Delaware limited partnership and Benchmark Capital Management Co. LLC is a Delaware limited liability company (hereinafter collectively referred to as “Benchmark Capital”), both having their principal place of business at 2480 Sand Hill Road, Suite 200, Menlo Park, California, 94025.

101. Abhyanker is ignorant of the true names of the other Counterdefendants sued herein as Does 1 – 50, inclusive, and therefore, sues these Doe Counterdefendants by such fictitious names. Abhyanker will amend his counterclaim to allege their true names and capacities when ascertained.

JURISDICTION AND VENUE

102. This Court has supplemental jurisdiction over this counterclaim pursuant to 28 U.S.C. § 1367.

103. Nextdoor.com and Counterdefendants are subject to personal jurisdiction in this district due to their systematic and continuous contacts with this district. In addition, Nextdoor.com is subject to personal jurisdiction as a result of initiating this lawsuit in this district.

104. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391.

FACTS RELEVANT TO ALL COUNTERCLAIMS

Nextdoor.com and Benchmark Capital have a history of stealing information and ideas

105. Nextdoor.com, Benchmark Capital, and the individuals associated with them have a pattern and practice of building companies based on stolen information and engaging in dishonest business practices at the expense of entrepreneurs. By way of one example, since at least 2006, Nirav Tolia (“Tolia”), one of the founders of Nextdoor.com, admitted that he has been helping Benchmark evaluate confidential ideas of entrepreneurs. And in 2006, at the behest of Benchmark partner Peter Fenton, Tolia admitted meeting with Jeremy Stoppelman, the founder of Yelp. At this meeting, Tolia admitted that Stoppelman and Yelp had misappropriated trademarks and the trade identity belonging to his former employer, eBay, Inc. However, Tolia proceeded with a positive investment recommendation and Yelp was invested in by Benchmark. Put simply, Benchmark has a pattern and practice of choosing to hire and retain consultants and employees known to be dishonest and with questionable ethical standards, placing such consultants and employees in positions to evaluate confidential ideas from entrepreneurs, and then investing in companies having stolen intellectual property and assets.

106. Benchmark is in the minority of venture capitalists that employ the practice of Entrepreneurs-in-Residence (“EIRs”). These individuals are people that Benchmark wishes to invest in but have not thought of their ideas yet. Often, they are successful in previous ventures, and Benchmark deploys them and enables them to listen in on pitches by outside startups pitching ideas to Benchmark. This highly unethical practice frequently leads to EIRs stealing ideas from the entrepreneurs pitching ideas to Benchmark, forming companies to pursue such stolen ideas, and Benchmark funding EIRs’ companies built on such stolen ideas. At least three of the co-

1 founders of the Nextdoor.com were EIRs in formal and informal capacities at least since 2006
2 when the Abhyanker pitched his ideas to Benchmark.

3 107. Moreover, Nextdoor.com has a history of failing on its own merits. According to
4 its own Complaint in this action, Nextdoor.com was founded in December 2007 as SPN, Inc. In
5 January 2008, SPN, Inc. changed its name to Round Two, Inc. and launched an online almanac of
6 professional and college athletes at www.fanbase.com. Round Two, Inc. later changed its name
7 to Fanbase Inc. However, Fanbase Inc. and its Fanbase online almanac was a failure, and by
8 Spring 2010, the Fanbase concept was abandoned. These failures set the stage for Fanbase Inc.
9 and the persons associated with Fanbase to yet again build a company based on stolen
10 information and misappropriated trade secrets.

11 108. As detailed below, Fanbase Inc. proceeded to steal and misappropriate
12 Abhyanker's proprietary and trade secret information for an online neighborhood social network
13 to be called Nextdoor, boldly copying and implementing Abhyanker's proprietary and trade secret
14 execution plan for his Nextdoor concept. This is how the failed company Fanbase Inc. illicitly
15 renamed itself Nextdoor.com and radically moved its business model from an online almanac for
16 athletes to an online neighborhood social network in early 2011.

17 Abhyanker develops the LegalForce/Nextdoor online neighborhood social network trade secrets

18 109. Around September 2006, Abhyanker had developed the concept of a private online
19 neighborhood social network for inventors to be called LegalForce, and a separate spin off idea
20 using the same code base called Nextdoor. In connection with his LegalForce and Nextdoor
21 concept, Abhyanker developed and owned trade secret information, including, but not limited to,
22 key product details, algorithms, business plans, security algorithms, database structures, user
23 interface designs, software code, product concepts, prototypes, methods, works of authorship,
24 trademarks, white papers, and instrumentalities, information and plans pertaining to, but not
25 limited to, software that makes sure only people who live in a specific neighborhood are able to
26 join its network—giving users a level of privacy that sites like Facebook don't, email lists of
27 inventive neighbors around Cupertino, California, inventive neighbors in the Lorelei
28

1 neighborhood of Menlo Park, a private social network activation in a geospatially constrained
2 area when 10 neighbors sign up, geo-spatial database, neighborhood member activation through
3 postal mail, public/private geo-location constrained member groups, neighborhood member
4 address verification, sharing of bulletin and wall communications between neighborhood resident
5 users only, customer lists, architecture, social networking, friend grouping, providing real time
6 updates, neighborhood-level privacy controls, feed aggregation, spheres of influence, application
7 technologies, filtering relevant feeds across multiple networks, filtering conversations, adding
8 contextual relevancy to private messages and connections in a geospatially constrained area, and
9 connections across interactions in neighboring communities, providing in depth conversations
10 through a social graph, community governance, bidding history of the Nextdoor.com domain, the
11 activation of the Lorelei neighborhood as a prime testing neighborhood for communication,
12 neighborhood communication and geo-spatial social networking, and the use of the name
13 Nextdoor.com in conjunction with a private social network for neighborhoods (“Abhyanker’s
14 LegalForce/Nextdoor Trade Secrets”).

15 Abhyanker hires Sood to work on his trade secret LegalForce/Nextdoor concept

16 110. On or around September 21, 2006, Abhyanker hired Sandeep Sood (“Sood”) and
17 his firm Big Circle Media (now called Monsoon) to provide software and website development
18 services for Abhyanker’s concept, which was to be an online private social network for
19 neighborhood inventors by geocoding of inventors and owners from public patent and trademark
20 data in a specific neighborhood. Before disclosing his concept and associated trade secrets to
21 Sood and Big Circle Media, Abhyanker required them to execute and Independent Contractor
22 Agreement and Non-Disclosure Agreement, which were also executed on September 21, 2006.
23 The agreements required Sood and Big Circle Media to keep Abhyanker’s LegalForce.com and
24 Nextdoor.com concept and all the accompanying details and work product relating to it
25 confidential. On Thursday September 6, 2006, Big Circle Media created invoices with a budget
26 of \$15,000. One invoice titled “LegalForce Online Design and Inventor Community” indicated
27 that Big Circle Media will concept, design, and build components including messaging, online
28

1 identity design, information architecture, and customization of social networking software for
2 LegalForce.

3 111. A new corporation called LegalForce, Inc. was formed to own the assets of this
4 original LegalForce.com and Nextdoor.com technology. Approximately \$150,000 in convertible
5 notes were sold in LegalForce, Inc., including a \$125,000 note to a Mr. Warren Myer, and equity
6 was sold to investors including Raj Abhyanker and Jeffrey Drazan. During the development of
7 the source code for the LegalForce.com venture, a decision was made to apply the same source
8 code of LegalForce.com to create a private social network called Nextdoor.com to enable a
9 private, secure collaboration of neighbors in a geospatial area to meet in or about October 2006.
10 Both the LegalForce.com and the Nextdoor.com website were to be private, focused around
11 secure and private collaboration among neighbors who sign up on the site. A minimum number
12 of 10 inventors/neighbors per neighborhood were required to ‘activate’ a neighborhood. The
13 “Lorelei” neighborhood was chosen to prototype the LegalForce/Nextdoor concepts because of its
14 high concentration of technology savvy inventors and neighborhood activism. The name
15 Nextdoor was chosen as the name of the new website based on Abhyanker’s previous use of the
16 name Nextdoor in connection with creating neighborhood walking maps in Cupertino city council
17 campaigns in 2005. However, the name Nextdoor.com was not for sale, despite numerous
18 bidding attempts by Abhyanker. As an alternative, Abhyanker purchased the Nextyard.com and
19 Nextlawn.com domains in or about October 2006 to serve as placeholders for his Nextdoor.com
20 website. However, the public launch of the original Nextdoor.com and LegalForce.com private
21 inventor social network never launched as a social network and remained a trade secret.

22 The Formation of Fatdoor, Inc.

23 112. During the course of developing the LegalForce.com and Nextdoor.com websites,
24 Abhyanker came up with a new concept based on a Wikipedia like public database of neighbor
25 profiles that could be edited and enhanced to provide a “search” and “discover” functionality as
26 opposed to a sign up social network, which Abhyanker named “Fatdoor.com.” Abhyanker first
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1 disclosed this idea to Jeffrey Drazan, an equity investor in LegalForce on or around October
2 2006.

3 113. Jeffrey Drazan recommended that Abhyanker carve out IP related to Fatdoor from
4 LegalForce/Nextdoor, and form and raise money for a new corporation to be called Fatdoor, Inc.
5 The concept was also disclosed to Sandeep Sood, who decided it would be best to start a separate
6 venture from LegalForce/Nextdoor related to the Fatdoor concept. Sandeep Sood charged and
7 billed a separate \$4,185 for Fatdoor consulting services separate from his work on
8 LegalForce/Nextdoor on or about November 12, 2006. This amount was reimbursed by Fatdoor,
9 Inc. The separate development of the LegalForce and Nextdoor website for invoices totaling
10 \$15,000 remained separate, and was paid by Abhyanker and LegalForce, Inc. by February 2007,
11 after the formation of Fatdoor using non-Fatdoor bank accounts and checks. Based on Drazan's
12 recommendation, on or around October 25, 2006, Abhyanker put his LegalForce/Nextdoor
13 concept on hold to found and pursue Fatdoor.com, around this new and separate idea for Fatdoor.
14 To ensure that the \$150,000 in convertible note holders backing the LegalForce, Inc. venture that
15 funded the development of both LegalForce.com and Nextdoor would be protected, Drazan
16 recommended an attorney named Daniel Hansen to form the new Fatdoor, Inc. entity and carve
17 out all trade secrets and intellectual property related to LegalForce and Nextdoor. While the
18 name 'Nextdoor' was considered for Fatdoor.com, it was decided to not pursue that name because
19 of its mixed ownership with LegalForce and because the name was not available. As such, the
20 name as applied to a private social network for neighborhoods remained private and a trade secret
21 associated with investors in LegalForce, Inc. as applied to a private social network for
22 neighborhoods.

23 114. Abhyanker proceeded to assign trade secrets, inventions, patent rights (including several
24 pending patent applications), and other proprietary information relating to the Fatdoor concept to
25 Fatdoor, Inc. on or around February 1, 2007 through a document drafted by Drazan's attorney
26 Hansen. Because Drazan and Abhyanker remained equity holders in LegalForce, Inc.,
27 purposefully excluded from this transfer were all technologies related to LegalForce and
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1 Nextdoor, including the exclusion of the LegalForce/Nextdoor Trade Secrets and the Nextyard,
2 Nextlawn, and LegalForce domains. Drazan's attorney Daniel Hansen drafted this agreement
3 expressly under the wishes of Drazan and Abhyanker. To provide equity to Fatdoor, Inc.
4 investors, trade secrets related to Fatdoor were assigned, including more than hundreds of pages
5 of documents that became the basis for more than 46 patent applications assigned by Abhyanker,
6 the lead inventor, to Fatdoor, Inc. Each and all of these 46 patent application covered the public
7 'wiki' based Fatdoor commenting tool only, and did not relate to the private social network of
8 LegalForce or Nextdoor developed by Sood for Abhyanker and LegalForce, or the code base for
9 the original Nextdoor concept.

10 115. The only mention of the nextdoor.com domain name in at least one of these Fatdoor
11 owned patent applications is in the detailed description section, which is a section of a patent
12 application that can include trademarks and concepts owned by others. The referenced section in
13 the Fatdoor owned patent application detailed description refers to advertisers placing display ads
14 on the nextdoor.com website. This reference is only made in passing, as display advertisements
15 can be placed on virtually any website, whether it be a search engine, ecommerce site, or any web
16 page such as Google, Yahoo, Nextdoor.com or eBay. It makes no mention of what the nextdoor
17 domain is to be used for or what kind of business it would have on it. Particularly, the referenced
18 section in the Fatdoor owned patent application detailed description does not refer to the use of
19 the Nextdoor mark in conjunction with a private social network for neighbors. As such, the trade
20 secret of the use of Nextdoor name in conjunction with a private social network for neighbors
21 remained a trade secret owned by Abhyanker (through his acquisition of the LegalForce, Inc.
22 assets in 2008) through the filing of the initial state court complaint in 2011.

23 116. After the Fatdoor, Inc. business was formed, in or about February 2007, an entirely
24 new code base was built for the wiki based commenting tool by Chandu Thota, a Chief
25 Technology Officer hired by Abhyanker to develop the Fatdoor concept separate from
26 LegalForce and Nextdoor. None of the original code base developed for LegalForce, Inc. by
27 Sood around the Nextdoor concept was used in the creation of Fatdoor. A board of directors was
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1 formed consisting of Raj Abhyanker, Jeffrey Drazan, Bill Harris, and Chandu Thota. The
2 assignment only covered technology related to Abhyanker's Fatdoor concept, and specifically
3 excluded all assets owned by LegalForce, Inc. (of which Abhyanker and Drazan were
4 shareholders) including Abhyanker's LegalForce/Nextdoor Trade Secrets and domains of
5 LegalForce.com, Nextyard.com, and Nextlawn.com based around a private social network for
6 neighborhood.

7 117. In or about May 2006, a convertible note holder in LegalForce, Inc., Mr. Warren
8 Myers complained to the Fatdoor Board of Directors that he was concerned that Nextdoor and
9 LegalForce owned technologies and trade secrets were used or planning to be used in Fatdoor,
10 Inc. This dispute was disclosed to Series Be investors in Fatdoor, Inc. in board minutes and
11 disclosures in conjunction with Series B financing. A decision was made that if the Nextdoor
12 domain would be desired for Fatdoor again, permission from the LegalForce, Inc. equity investors
13 and convertible note holders, including Warren Myer would first be required. These disclosures
14 were prepared by Daniel Hansen, and it was stated that Mr. Myers now understood that the
15 original LegalForce trade secrets including the Nextdoor name as useable with a private social
16 network for neighbors remained property of LegalForce, Inc.

17 118. LegalForce, Inc. subsequently went through an orderly winddown in 2008 led by
18 the same Fatdoor, Inc. counsel Daniel Hansen that drafted Abhyanker's February 1, 2007
19 assignment agreement on behalf of Drazan and Abhyanker, and its assets were purchased by Raj
20 Abhyanker, including the source code that made up the original LegalForce/Nextdoor concept
21 and Abhyanker's LegalForce/Nextdoor Trade Secrets. All convertible debt notes including the
22 \$125,000 debt note to Mr. Warren Myer was assumed by Abhyanker in exchange for all assets in
23 LegalForce, Inc. including the LegalForce/Nextdoor Trade Secrets. Abhyanker continued to
24 work on trying to restart the Nextdoor private neighborhood social network based on his acquired
25 trade secrets. In August 2011, Abhyanker filed a new private neighborhood social networking
26 ecommerce patent application that recently received a notice of allowance. In addition,
27 Abhyanker again started trying to acquire the Nextdoor domain. In early 2010, Abhyanker spoke
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1 with Sood and informed him of his desire to restart the Nextdoor business and acquire rights to
2 the Nextdoor domain. Abhyanker also placed numerous bids in an effort to try to secure the
3 Nextdoor.com domain in 2010. However the Defendant was unsuccessful in bidding given that
4 Sood had disclosed the Abhyanker's bidding to Nextdoor.com, upon reason and belief. The
5 original LegalForce, Inc. is not to be confused with the currently active LegalForce, Inc. which
6 incorporated in or about March 2009. This new venture is a separate and distinct entity formed
7 by Abhyanker, with equity investment from Drazan and Hansen. LegalForce, Inc. currently
8 owns the Trademarkia.com domain, and purchased rights to the LegalForce.com domain from
9 Abhyanker.

10 119. On or around April 2, 2008, Fatdoor, Inc. was renamed Center'd Corporation.
11 Center'd Corporation is still in existence today. On or around August 2011, Google acquired 46
12 patent applications and six international PCT applications that Abhyanker had assigned to
13 Fatdoor, which was renamed Center'd. Abhyanker is listed as the lead inventor on each of those
14 applications. These patent applications and the inventions/technology acquired by Google related
15 to Abhyanker's Fatdoor concept. They do not relate or cover Abhyanker's separate and distinct
16 LegalForce/Nextdoor concept. And the trade secrets that form the basis for Abhyanker's trade
17 secret misappropriation claim in the instant pleading were never assigned, purchased, or
18 transferred to Fatdoor/Center'd or Google—they remain owned by Abhyanker personally.

19 120. Moreover, because the patent applications acquired by Google, including Patent
20 Application No. 11/603,442, only relate to the Fatdoor Concept and do not cover or relate to
21 Abhyanker's LegalForce/Nextdoor concept, the patent applications do not disclose or reveal the
22 trade secrets that form the basis for Abhyanker's trade secret misappropriation claim in the instant
23 pleading. The trade secrets at issue in the instant pleading have never been publicly disclosed in
24 published patent applications, issued patents, or anywhere else for that matter.

25 Sood is not chosen to be part of Fatdoor's founding team and becomes disgruntled

26 121. Before the formation of Fatdoor, Abhyanker and Sood had discussed the
27 possibility of Sood becoming a co-founder of Nextdoor. However, when Fatdoor was formed,
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1 Abhyanker's LegalForce/Nextdoor concept was put on hold to explore the Fatdoor business
2 model.

3 122. Unfortunately, Sood was not selected to be part of Fatdoor's founding team. There
4 were several reasons that Sood was not selected, including Sood's other obligations and his
5 outspoken disagreement with Fatdoor's chosen direction and technology.

6 123. As can be expected, Sood was disappointed when he learned that he was not
7 selected to be part of Fatdoor, leaving him disgruntled and with a clear axe to grind.

8 Abhyanker confidentially discloses his trade secrets to Benchmark Capital

9 124. On or around December 15, 2006, Abhyanker showed his Fatdoor prototype to
10 Jeffrey M. Drazan ("Drazan"), an early investor in LegalForce, Inc. that at the time owned the
11 LegalForce.com and Nextdoor.com concept, who was intrigued by the concept of a public
12 Wikipedia like neighborhood commenting tool Fatdoor, Inc. Drazan agreed to fund a separate
13 entity from LegalForce, Inc., a company that he was a shareholder in, to launch the new public
14 Wikipedia like neighborhood commenting tool Fatdoor.com.

15 125. On or about January 5, 2007, Drazan agreed to personally invest \$500,000.00 in
16 Fatdoor, Inc. Drazan also introduced Abhyanker to William H. Harris, Jr. ("Harris, Jr.").

17 126. On or about February 1, 2007, Abhyanker closed a \$1,000,000.00 Series A round
18 of equity financing with Drazan and Harris, Jr. for Fatdoor, Inc.

19 127. Abhyanker then hired the best engineers that he could find to help build working
20 products for Fatdoor, Inc., including Chandu Thota ("Thota") as Chief Technology Officer (CTO)
21 of Fatdoor, Inc.

22 128. The prototype of Fatdoor.com was developed into a working beta website.
23 However, based on feedback from users, an internal decision was made to work on an improved
24 version of Fatdoor.com that centered around security and privacy. To this end, Abhyanker
25 believed this new version of Fatdoor.com could be accomplished by using some of Abhyanker's
26 LegalForce/Nextdoor Trade Secrets.

1 129. Accordingly, on or around June 20, 2007, an initial meeting was set with
2 Benchmark Capital. This meeting did not involve the disclosure of any non-confidential, trade
3 secret information. At that meeting, it was discussed that a confidential meeting would take place
4 only after assurances were received from Kevin Harvey ("Harvey"), a general partner of
5 Benchmark capital, that all information shared by Abhyanker would be maintained strictly
6 confidential. Harvey agreed to maintain confidential any and all information disclosed by
7 Abhyanker during any future meetings in a follow up phone call that afternoon between Harvey
8 and Abhyanker and a separate phone call between Harvey and Drazan. In this regard, it is the
9 pattern and practice of Benchmark Capital, its general partners, and entrepreneurs in residence
10 (EIRs) to agree to non-disclosure agreements via verbal and email "handshakes." *See* Randall E.
11 Stross, eBoys: The First Inside Account of Venture Capitalists at Work, xviii (2000).

12 130. Based on Benchmark Capital's assurances of confidentiality, a follow up meeting
13 was set for on or about June 21, 2007. During that meeting, Abhyanker provided a detailed
14 disclosure of Abhyanker's LegalForce/Nextdoor Trade Secrets. The meeting was attended by a
15 majority of the Benchmark partners and EIRs, including Harvey.

16 131. In addition, at Harvey's request, Abhyanker sent confidential and trade secret
17 presentations relating to the Nextdoor concept to Benchmark Capital partner Mitch Lasky
18 ("Lasky") and a diligence file ("Diligence Package") fully disclosing his Nextdoor concept and
19 the trade secrets to Benchmark Capital partner Peter Fenton ("Fenton").

20 132. Harvey then informed Abhyanker that he would be discussing the trade secret
21 information with his team at an offsite meeting that would be occurring between June 23 -25,
22 2007.

23 133. At Benchmark Capital's request, Abhyanker had various follow-up meetings with
24 Benchmark Capital discussing the confidential technical details of his trade secrets.

25 134. Accordingly, Abhyanker disclosed key details of Abhyanker's Next Door Trade
26 Secrets, including, but not limited to, the Diligence Package, which included, at least key product
27 details, algorithms, business plans, security algorithms, database structures, user interface
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1 designs, software code, product concepts, prototypes, methods, works of authorship, trademarks,
2 white papers, and instrumentalities. The Diligence Package also contained a mockup images
3 showing a photograph of sample user, with a personal profile virtual wall feed from neighbors
4 who provided comments on the user's wall. A search area box read "search neighborhood." The
5 word "Nextdoor" was clearly shown in the upper, left-hand side of the screenshot. A map was
6 shown in the screenshot illustrating the location of the user's hypothetical home and images
7 indicating which neighbors had and had not joined the neighborhood surrounding the user's
8 home.

9
10 135. Despite its assurance of confidentiality, Benchmark Capital proceeded to
11 misappropriate Abhyanker's trade secrets by disclosing and using them in violation of the
12 confidentiality agreement.

13 136. The Fatdoor, Inc. series B investors that Abhyanker brought in the summer of
14 2007 desired to take the company Fatdoor in a drastically different direction that Abhyanker had
15 originally wanted by requesting that a headhunter be hired (recommended by Benchmark Capital)
16 to find a new Chief Executive Officer. After speaking with Jeffrey Drazan over breakfast at the
17 Stacks restaurant in Menlo Park to discuss this request in the summer of 2007, Abhyanker
18 decided to announce to the Board of Directors of Fatdoor, Inc. in the summer of 2006 that he
19 would be willing to leave the position of Chief Executive Officer if he was permitted to run for
20 another city council campaign and restart a new business around his original Nextdoor trade
21 secrets of a private neighborhood social network for inventors and neighbors in a constrained
22 geospatial area. Although Abhyanker believed he did not need permission by Fatdoor, he made
23 the request to ensure there would be not dispute over his plans. Fatdoor agreed that he could
24 pursue his LegalForce/Nextdoor business and trade secrets. After leaving Fatdoor, Inc. in the Fall
25 of 2007, Abhyanker again began trying to acquire the Nextdoor.com domain around his ideas for
26 a private neighborhood social network and restarted his LegalForce.com website.

27 Nextdoor.com founder Janakiraman's secret friendship with Sood
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1 137. As detailed above, Janakiraman is one of the founders of Nextdoor.com, and Sood
2 was hired by Abhyanker to work on his trade secret Nextdoor concept.

3 138. In trying to ascertain exactly how Nextdoor.com misappropriated Abhyanker's
4 trade secrets, Abhyanker recently discovered that Janakiraman and Sood both attended the
5 University of California, Berkeley. Apparently, unbeknown to Abhyanker, Sood has been friends
6 with both Janakiraman and his wife, Rachna Nivas, since at least 1995.

7 139. When Abhyanker discovered that Sood and Janakiraman were friends, he
8 confronted Sood and asked him about his relationship with Janakiraman. Sood reluctantly
9 admitted to knowing Janakiraman, but tried to downplay their relationship by saying that they
10 have not really kept in touch over the years. This turned out to be a lie.

11 140. Through his own investigation, Abhyanker discovered that Janakiraman and Sood
12 had stayed in touch, exchanging numerous messages as recently as October 28, 2012, a week
13 before Nextdoor.com filed the instant lawsuit.

14 141. The fact that Sood did not disclose and then lied about the extent of his
15 relationship with Janakiraman evidences that Sood was trying to conceal his wrongful conduct of
16 disclosing Abhyanker's LegalForce/Nextdoor Trade Secrets to Janakiraman and Nextdoor.com.
17 Nextdoor.com's founders Janakiraman and Tolia were EIRs at Benchmark Capital

18 142. Nextdoor.com's founders are Janakiraman and Nirav Tolia ("Tolia"). And as
19 detailed above, Abhyanker had previously disclosed Abhyanker's LegalForce/Nextdoor Trade
20 Secrets to Benchmark Capital.

21 143. In trying to ascertain exactly how Nextdoor.com misappropriated Abhyanker's
22 LegalForce/Nextdoor Trade Secrets, Abhyanker recently discovered that both of Nextdoor.com's
23 founders, Janakiraman and Tolia, were entrepreneurs in residence (EIRs) at Benchmark Capital at
24 the time Abhyanker disclosed his trade secrets to Benchmark Capital. It is much too coincidental
25 that both the founders of Nextdoor.com would be EIRs at Benchmark Capital when Abhyanker
26 disclosed Abhyanker's LegalForce/Nextdoor Trade Secrets to Benchmark Capital.

1 144. On information and belief, Benchmark Capital disclosed Abhyanker's trade secrets
2 to both Janakiraman and Tolia, who then proceeded to misappropriate and use Abhyanker's trade
3 secrets as the foundation of Nextdoor.com.

4 Sood completes a survey on the Nextdoor concept for Nextdoor.com, and has subsequent email
5 conversations and social meetings with Prakash Janikiraman

6 145. On or around the fall of 2010, Janakiraman and Nextdoor.com sent a survey to
7 friends and family seeking feedback on the online neighborhood social networking concept that
8 was misappropriated from Abhyanker.

9 146. One of the recipients of the survey was Sood. Sood completed and returned the
10 survey, informing and/or reminding his long time friend Janakiraman and Nextdoor.com that he
11 had actually worked on Abhyanker's original Nextdoor concept and had been privy to
12 Abhyanker's LegalForce/Nextdoor Trade Secrets.

13 147. After completing the survey, Janikiraman spoke with Sood over a number of
14 separate and distinct phone conversations and in person in which he discussed with Sood his
15 knowledge and experience related to Abhyanker's LegalForce/Nextdoor Trade Secrets. Along
16 the course of these conversations, Sood disclosed Abhyanker's LegalForce/Nextdoor Trade
17 Secrets to Janakiraman and Nextdoor.com. In addition, Janikiraman met in a number of social
18 settings with Sood, and exchanged private messages over social networks including Facebook and
19 Twitter with Sood with respect to Abhyanker's LegalForce/Nextdoor Trade Secrets. Because of
20 these conversations, Janikiraman suggested the name 'Nextdoor' to be used with the private
21 neighborhood social network, as admitted by Tolia. In addition, Tolia admitted that Janikiraman
22 came up with the 'key technologies' including neighborhood level privacy controls that
23 Janikiraman misappropriated from Abhyanker's LegalForce/Nextdoor Trade Secrets through his
24 conversations with Sood. Specifically, Tolia attributed in a Mercury News article on October 26,
25 2011 that 'The key,... is software developed by an early Google (GOOG) Maps employee that
26 makes sure only people who live in a specific neighborhood are able to join its network -- giving
27 users a level of privacy that sites like Facebook don't'. Janikiraman was the early Google
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1 (GOOG) Maps employee that Tolia referred to. “Tolia said he was referring to Prakash
2 Janakiraman, his co-founder at Fanbase and Nextdoor who formerly worked at Google on Maps”
3 in an article by Liz Gannes from the Wall Street Journal’s AllThingsd blog on November 11,
4 2011. This was a material breach of Sood’s Independent Contractor Agreement and Non-
5 Disclosure Agreement.

6 148. Despite knowing that Sood had worked on Abhyanker’s proprietary and trade
7 secret LegalForce/Nextdoor concept as disclosed in the survey that Sood filled, Janakiraman and
8 Nextdoor.com encouraged Sood to improperly disclose Abhyanker’s trade secret information and
9 proceeded to use the information as the foundation of their business.

10 149. Furthermore, because Janikiraman and Tolia had access to pitches that were
11 delivered to Benchmark in their capacity as Entrepreneurs in Residence for the fund, and because
12 they had access to the Benchmark offices, Janikiraman and Tolia researched the history of
13 Abhyanker’s LegalForce/Nextdoor trade secrets by looking through electronic archives stored at
14 Benchmark Capital, upon reason and belief.
15 Nextdoor.com prototypes Abhyanker’s LegalForce/Nextdoor concept in Abhyanker’s
16 neighborhood

17 150. On or around October 2010, Nextdoor.com set up a website at
18 loreleineighbors.reallifelabs.com to surreptitiously prototype Abhyanker’s online neighborhood
19 social networking concept under the temporary name “Neighborly” prior to misappropriating
20 Abhyanker’s LegalForce/Nextdoor name and mark. As Nextdoor.com stole the concept from
21 Abhyanker, it is not surprising that Tolia admits that Janikiraman came up with the idea to
22 prototype the Nextdoor.com website in the Lorelei neighborhood, the same Lorelei neighborhood
23 referenced in Abhyanker’s LegalForce/Nextdoor Trade Secrets.

24 151. When Abhyanker conceived and developed the Nextdoor concept, his offices were
25 located in Palo Alto, California and Menlo Park, California. The Lorelei neighborhood abutted
26 Abhyanker’s Menlo Park office, which is why Abhyanker selected the Lorelei neighborhood to
27 test his trade secret Nextdoor concepts and execution plans.
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1 152. In stark contrast, Nextdoor.com had no connection or reason to prototype the
2 misappropriated concept in the Lorelei neighborhood. Not only is Nextdoor.com based in San
3 Francisco, but all the individuals at Nextdoor.com involved in misappropriating Abhyanker's
4 LegalForce/Nextdoor concept also live in San Francisco — approximately 30 miles from Menlo
5 Park. Given the fact that there are more than 500 neighborhoods in the San Francisco Bay Area,
6 it is clear that Nextdoor.com did not randomly choose the Lorelei neighborhood, but rather chose
7 the Lorelei neighborhood because it was the neighborhood selected by Abhyanker in his trade
8 secret Nextdoor concepts and execution plans that Nextdoor.com misappropriated.

9 153. Nextdoor.com's brazen decision to prototype the concept it stole from Abhyanker
10 in Abhyanker's own Lorelei neighborhood is irrefutable evidence that Nextdoor.com
11 misappropriated Abhyanker's trade secret information. Moreover, given Nextdoor.com's founder
12 Janakiraman's long-time friendship with Sood and close association with Benchmark Capital, it is
13 clear that Nextdoor.com had the connections and means for accessing and stealing Abhyanker's
14 LegalForce/Nextdoor Trade Secrets.

15 After Sood's wrongful disclosure, Nextdoor.com adopts the stolen Nextdoor name

16 154. On or around January 2011, shortly after Sood completed and returned the survey
17 and Nextdoor.com prototyped the misappropriated concept in Abhyanker's neighborhood,
18 Nextdoor.com (still called Fanbase at the time) coincidentally alleges that it decided to try to
19 register the www.nextdoor.com domain name. (However, Abhyanker suspects that
20 Nextdoor.com or its principals may have been involved in trying to register the domain name
21 before January 2011 based on their misappropriation of Abhyanker's LegalForce/Nextdoor Trade
22 Secrets.)

23 155. In this regard, Sood had been aware that Abhyanker had been bidding and trying to
24 purchase the www.nextdoor.com domain name since late 2006. In fact, Sood was copied on
25 many emails relating to Abhyanker's attempts to purchase the domain name.

26 156. Sood proceeded to disclose confidential information relating to Abhyanker's
27 attempts to purchase the domain name to Janakiraman and Nextdoor.com, which prompted and
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1 enabled them to outbid Abhyanker and register the www.nextdoor.com domain name, thereby
2 preventing Abhyanker from rightfully obtaining the domain name.

3 157. After wrong fully obtaining the domain name, on or around February 8, 2011,
4 Nextdoor.com (still called Fanbase at the time) proceeded to file a federal trademark application
5 for NEXTDOOR.

6 158. On or around March 2011, according to Nextdoor.com's own Complaint, it
7 changed its corporate name from Fanbase Inc. to Nextdoor.com, Inc.

8 159. Finally, on or around October 26, 2011, Nextdoor.com publicly launched the
9 www.nextdoor.com online neighborhood social network that uses and was built on the trade
10 secrets misappropriated from Abhyanker.

11 The Defendants' misappropriation and wrongful acts lead to litigation between the parties

12 160. Left with no recourse against Defendants' willful misappropriation, on November
13 10, 2011, Abhyanker filed a complaint against Defendants in the Superior Court of California for
14 the County of Santa Clara, which was instituted as Case No. 1-11-CV-212924. In that case,
15 Abhyanker asserted claims for trade secret misappropriation, breach of contract, and additional
16 torts.

17 161. Shortly after filing the state court action, Abhyanker also filed two third-party
18 opposition proceedings against Nexdoor.com's trademark application for NEXTDOOR with the
19 U.S. Patent and Trademark Office's Trademark Trial and Appeal Board ("TTAB"). The two
20 third-party oppositions on the basis of priority and fraud were filed on January 20, 2012 and
21 February 9, 2012 and were instituted as Opposition No. 91203462 and Opposition No. 91203762,
22 respectively.

23 162. Adhering to the notion that discretion is the better part of valor, Abhyanker
24 decided that, rather than litigate both the state court action and the TTAB oppositions
25 simultaneously, he should choose to maintain either the state court action or the third-party
26 oppositions and focus on that choice.

1 163. Accordingly, Abhyanker chose to dismiss his state court action *without prejudice*
2 on February 8, 2012. By dismissing the state court action, Abhyanker's resources were freed and
3 directed towards litigating the TTAB oppositions, which he did with some success. In or about
4 September 15, 2012, the Nextdoor.com's motions to dismiss the TTAB oppositions were defeated
5 and formal discovery was to start before TTAB to determine whether the Nextdoor.com should be
6 denied federal trademark rights because of fraud on the United States Trademark Office.

7 164. However, on November 5, 2012, Nextdoor.com filed the instant lawsuit seeking
8 declaratory relief regarding trademark infringement and cyberpiracy. As a result, the TTAB
9 oppositions have been suspended pending the disposition of this lawsuit. Essentially,
10 Nextdoor.com made the exact opposition decision that Abhyanker had made—it chose to litigate
11 a court action first and put the TTAB oppositions on hold.

12 165. Back in court as a result of the instant lawsuit, Abhyanker now reasserts his claim
13 for trademark misappropriation against Nextdoor.com and the other Defendants.

14 166. Rather than attempting to defend themselves on the merits (perhaps because they
15 can't), Defendants have opted to desperately mischaracterize and intentionally misconstrue the
16 allegations that Abhyanker made in the state court case and TTAB oppositions. In this regard,
17 Defendants have attempted to mischaracterize Abhyanker's allegations in prior pleadings as
18 admissions that Abhyanker does not own the trade secrets that are the subject of the Abhyanker's
19 trade secret misappropriation counterclaim in the instant lawsuit. However, Defendants'
20 argument is meritless. To be clear, the trade secrets that form the basis for the trade secret
21 misappropriation counterclaim in the instant lawsuit are owned by Abhyanker personally and
22 were never assigned, purchased, or otherwise transferred to Fatdoor, Center'd, or Google.

23 167. More specifically, and as discussed in paragraph 119 above, Abhyanker is the lead
24 inventor on 46 patent applications and six international PCT patent applications that Abhyanker
25 assigned to Fatdoor, Inc. and that were eventually purchased by Google. The subject matter of
26 these patent applications relate generally to geo-spatial database, architecture, and application
27 technologies associated with neighborhood communication and social networking. But the trade
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secrets that form the basis of the instant lawsuit are not disclosed in those patent applications and were not assigned to Fatdoor or purchased by Google; rather, they are owned by Abhyanker personally. In fact, this is made clear in Paragraph 23 of Abhyanker's First Amended Complaint in the state court action in which he alleges, when discussing the misappropriation, that only "*some* of which are now owned by Google ... through its acquisition of the ... patent portfolio." To underscore this point, nowhere in any of Abhyanker's prior pleadings in the state court action or TTAB oppositions are there any allegations or statement that "any and all" trade secrets relating to the Abhyanker's private online neighborhood social network were assigned to Fatdoor or purchased by Google. A simple resort to common sense concludes that Abhyanker would not file a complaint in state court for trade secret misappropriation for trade secrets that he did not own and then make an admission of non-ownership in the complaint—doing so would frustrate and be directly contrary to the very purpose of why he filed the complaint to begin with—i.e., asserting a claim of trade secret misappropriation.

168. Accordingly, Abhyanker now counterclaims against Defendants for misappropriation of Abhyanker's Trade Secrets, which are owned by him personally and that have never been assigned, purchased, or otherwise transferred to any other person or entity.

**FIRST COUNTERCLAIM
TRADE SECRET MISAPPROPRIATION
(Against All Defendants)**

169. Paragraphs 1 – 168, above, are realleged and incorporated by reference as if set forth in full.

170. As detailed in Paragraph 109 above, Abhyanker developed and owned trade secret information relating to the concept of an online neighborhood social network to be called Nextdoor. These trade secrets consisted of a wide variety of information, including, but not limited to, key product details, algorithms, business plans, security algorithms, database structures, user interface designs, software code, product concepts, prototypes, methods, works of authorship, trademarks, white papers, and instrumentalities, information and plans pertaining to, but not limited to, software that makes sure only people who live in a specific neighborhood are

1 able to join its network—giving users a level of privacy that sites like Facebook don't, email lists
2 of inventive neighbors around Cupertino, California, inventive neighbors in the Lorelei
3 neighborhood of Menlo Park, a private social network activation in a geospatially constrained
4 area when 10 neighbors sign up, geo-spatial database, neighborhood member activation through
5 postal mail, public/private geo-location constrained member groups, neighborhood member
6 address verification, sharing of bulletin and wall communications between neighborhood resident
7 users only, customer lists, architecture, social networking, friend grouping, providing real time
8 updates, neighborhood-level privacy controls, feed aggregation, spheres of influence, application
9 technologies, filtering relevant feeds across multiple networks, filtering conversations, adding
10 contextual relevancy to private messages and connections in a geospatially constrained area, and
11 connections across interactions in neighboring communities, providing in depth conversations
12 through a social graph, community governance, bidding history of the Nextdoor.com domain, the
13 activation of the Lorelei neighborhood as a prime testing neighborhood for communication,
14 neighborhood communication and geo-spatial social networking, and the use of the name
15 Nextdoor.com in conjunction with a private social network for neighborhoods (“Abhyanker’s
16 LegalForce/Nextdoor Trade Secrets”).

17 171. Abhyanker’s LegalForce/Nextdoor Trade Secrets derived independent economic
18 value from not being known to the public or other persons who could obtain economic value from
19 their disclosure or use.

20 172. Abhyanker’s LegalForce/Nextdoor Trade Secrets were also the subject of efforts
21 that were reasonable under the circumstances to maintain their secrecy. As detailed in Paragraphs
22 110 and 129 above, Abhyanker only disclosed the Nextdoor Trade Secrets to Sood and Monsoon
23 and Benchmark Capital pursuant to strict confidentiality agreements.

24 173. Benchmark Capital misappropriated Abhyanker’s LegalForce/Nextdoor Trade
25 Secrets by using improper means to acquire and then disclose Abhyanker’s LegalForce/Nextdoor
26 Trade Secrets to Nextdoor.com and its founders in violation of its confidentiality agreement with
27 Abhyanker and without Abhyanker’s consent. Among other things, Benchmark fraudulently and
28

1 intentionally misrepresented that it would maintain the confidentiality of Abhyanker's
2 LegalForce/Nextdoor Trade Secrets when it had no intention of doing so and fraudulently and
3 intentionally misrepresented that Benchmark Capital's use of Abhyanker's LegalForce/Nextdoor
4 Trade Secrets would be limited solely to evaluation for investment purposes. Benchmark Capital
5 also improperly induced and encouraged Nextdoor.com and its founders to use Abhyanker's
6 LegalForce/Nextdoor Trade Secrets.

7 174. Sood and Monsoon misappropriated Abhyanker's LegalForce/Nextdoor Trade
8 Secrets by using improper means to acquire and then disclose Abhyanker's LegalForce/Nextdoor
9 Trade Secrets to Nextdoor.com and its founders in violation of the Independent Contractor
10 Agreement and Non-Disclosure Agreement with Abhyanker and without Abhyanker's consent.
11 Among other things, Sood and Monsoon fraudulently and intentionally misrepresented that they
12 would maintain the confidentiality of Abhyanker's LegalForce/Nextdoor Trade Secrets when they
13 had no intention of doing so. Sood and Monsoon also improperly induced and encouraged
14 Nextdoor.com and its founders to use Abhyanker's LegalForce/Nextdoor Trade Secrets.

15 175. Janakiraman and Nextdoor.com misappropriated Abhyanker's
16 LegalForce/Nextdoor Trade Secrets by using improper means to acquire and then use
17 Abhyanker's LegalForce/Nextdoor Trade Secrets as the foundation of their business.
18 Janakiraman and Nextdoor.com induced both Benchmark Capital and Sood and Monsoon to
19 breach the confidentiality agreements and obligations to Abhyanker by persuading them to
20 disclose Abhyanker's LegalForce/Nextdoor Trade Secrets to them. Despite being fully aware of
21 Benchmark Capital's, Sood's, and Monsoon's confidentiality obligations and agreements,
22 Janakiraman and Nextdoor.com proceeded to use the Abhyanker's LegalForce/Nextdoor Trade
23 Secrets to build their business.
24 Counterdefendants' aforesaid misappropriation has caused and continues to cause Abhyanker
25 damages and irreparably injury. Moreover, Counterdefendants' aforesaid acts constitute willful
26 and malicious misappropriation, thereby entitling Abhyanker to an award of exemplary damages
27
28

PRAYER FOR RELIEF

WHEREFORE, Abhyanker prays for judgment against Counterdefendants as follows:

- (i) that Nextdoor.com take nothing by its Complaint;
- (ii) that Nextdoor.com's Complaint be dismissed with prejudice;
- (iii) that Abhyanker be awarded his costs of suit and attorneys' fees;
- (iv) that all Counterdefendants be preliminarily and permanently enjoined from further disclosing or using Abhyanker's LegalForce/Nextdoor trade secrets, as well as Abhyanker's confidential and proprietary non-trade secret information, including, but not limited to, the nextdoor.com website and domain name;
- (v) that Counterdefendant be enjoined from the practice of hiring and/or placing Entrepreneurs in Residence (EIR) that the fund intends to invest in, and which have not yet come up with a public business plan for their venture, to listen in on or participate in any way in meetings involving other entrepreneurs pitching ideas to the fund in an area of technology specialization that the EIRs intend to start a company of their own within and has not thought of or publicly released.
- (vi) that the Court order Nextdoor.com to transfer the nextdoor.com domain name to Abhyanker and order and direct VeriSign, Inc., the domain name registry for the nextdoor.com domain name, to change the registrar of record for the nextdoor.com domain name to a registrar selected by Abhyanker;
- (vii) on his trade secret misappropriation claim, that Abhyanker recover damages for his actual loss caused by the misappropriation;
- (viii) on his trade secret misappropriation claim, that Abhyanker recover for the unjust enrichment caused by Counterdefendants' misappropriation;
- (ix) on his trade secret misappropriation claim, that Abhyanker recover a reasonable royalty to the extent neither damages nor unjust enrichment are provable;
- (x) on his trade secret misappropriation claim, that Abhyanker recover exemplary damages;

(xi) that the Court order such further relief as it deems just and proper.

DEMAND FOR A JURY TRIAL

Abhyanker hereby demands a trial by jury on both Nextdoor.com's claims in the Complaint and his Counterclaim.

Dated: April 8, 2013

Respectfully submitted,

LEGALFORCE RAJ ABHYANKER, P.C.

By



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